

**CME GOLD (\$2,527.60, -18.70)** ↓

Our Call of The Week:

**Range Bound**  
2 September 2024

## Market Commentary

### Highlights:

- **US:** Consumer confidence rose in August, but unemployment hit 4.3%. Fed signals rate cuts.
- **US:** The PCE index was 2.5% in July, and core PCE was 2.6%, both below expectations.
- **EU:** Eurozone inflation fell to 2.2% in August; core inflation dropped to 2.8%.
- **CN:** China's August PMI was expected at 49.5, indicating a need for more household stimulus.

### Precious Metals

Gold prices remain under pressure due to the ongoing recovery of the US Dollar, which strengthened after the US core PCE Price Index report on Friday. The data, showing a 2.6% annual and 0.2% monthly increase in August, suggested that the Federal Reserve may not cut rates as aggressively this month as previously anticipated. With the Fed expected to ease less, the US Dollar and Treasury bond yields both rose, pushing gold prices down by 1% on Friday.

Gold has risen more than 3% on August, driven by expectations of a Federal Reserve rate cut and ongoing geopolitical tensions. The CME FedWatch tool shows a 67% probability of a 25-basis-point cut and a 33% chance of a 50-basis-point cut at the Fed's next meeting. Lower interest rates typically increase the attractiveness of non-yielding assets like gold, boosting its value.

Ongoing ceasefire deadlock between Israel and Hamas, along with central bank gold purchases, is boosting safe-haven demand for gold. Analyst Ricardo Evangelista forecasts gold could near \$2,700 to \$2,800 by year-end due to a dovish Fed and persistent geopolitical risks.

Gold must hold current levels to sustain the August uptrend. Dropping below could see a decline to \$2,420. Staying above \$2,490 might lead to a rise towards \$2,520 and possibly \$2,550.

### Some significant economy data for the week:

**USD** - ISM Manufacturing PMI, JOLTS Job Openings, ADP Non-Farm Employment Change, Unemployment Claims, ISM Services PMI, Average Hourly Earnings m/m, Non-Farm Employment Change, Unemployment Rate

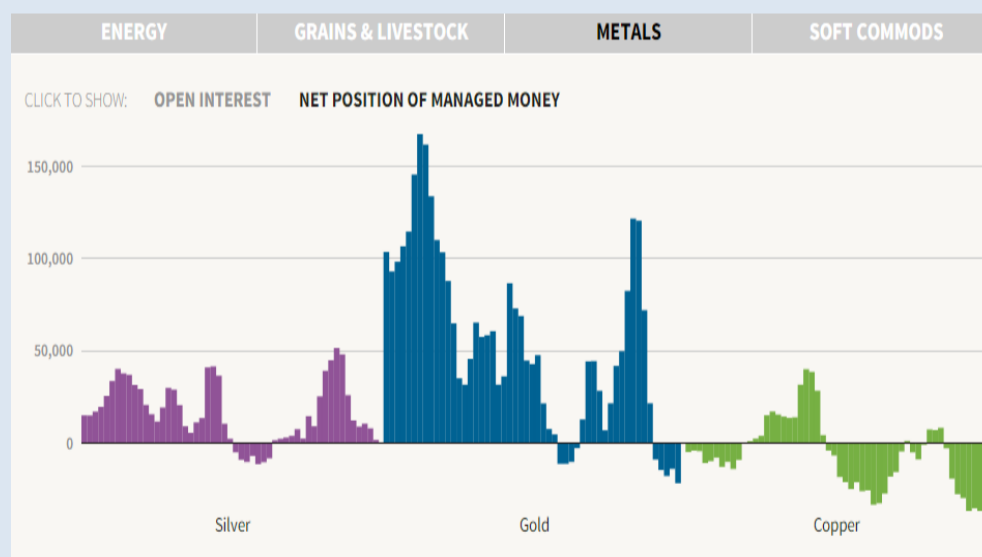
## Key Price Changes

Precious Metal COMEX					
Contract	Last	Wkly Chg	%	High	Low
Gold	2,527.60	-18.70	-0.73	2564.30	2526.60
Silver	29.143	-1.113	-3.68	30.670	29.080
Platinum	932.20	-33.90	-3.51	987.60	928.80
Palladium	962.80	17.60	1.86	993.00	934.00
Base Metal LME					
Contract	Last	Wkly Chg	%	High	Low
Copper	9,235.00	-53.50	-0.58	9453.00	9177.00
Aluminium	2,447.00	-95.00	-3.74	2554.00	2440.50
Lead	2,053.00	-64.00	-3.02	2126.00	2032.50
Zinc	2,897.00	-15.00	-0.52	2945.00	2856.00
Nickel	16,766.00	8.00	0.05	17165.00	16700.00
Currencies					
Indexes	Last	Wkly Chg	%	High	Low
US Dollar Index	101.698	0.980	0.97	101.783	100.514
USDMYR	4.3205	-0.0543	-1.24	4.3700	4.3100
USDJPY	146.17	1.80	1.25	146.25	143.45
USDEUR	0.9051	0.0116	1.30	0.9055	0.8927

	AM	PM
<b>LBMA Gold Price</b>	2524.15	2513.35

Bursa Gold Futures					
Contract	Last	Wkly Chg	%	High	Low
Sep 24	2,524.20	4.20	0.17	2528.40	2502.30
Oct 24	2546.50	22.80	0.90	2551.30	2525.90

Source: Bloomberg/ Phillip Futures



Source: CFTC

**Bursa Gold**



**Spot gold**



**CME Gold Futures**



Source : Bloomberg



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